

## Message Text

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PAGE 01 STATE 205655  
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TO AMEMBASSY TEHRAN IMMEDIATE

C O N F I D E N T I A L STATE 205655

EXDIS

E.O. 11652: N/A

TAGS: MASS, IR

SUBJECT: COMPREHENSIVE STATEMENT ON THE SALE OF SEVEN  
AWACS TO IRAN

FOR UNDERSECRETARY BENSON FROM PM DIRECTOR GELB

IN RESPONSE TO YOUR REQUEST I HAVE DRAFTED A MASTER STATE-  
MENT SETTING FORTH THE CASE FOR AWACS. THE STATEMENT IS  
POSITIVE; IT DOES NOT ATTEMPT TO DEAL WITH QUESTIONS  
RAISED ABOUT THE SALE SUCH AS SECURITY, CONSISTENCY WITH  
PD-13, ETC. STATEMENT FOLLOWS:

1. THE SALE TO IRAN OF SEVEN E-3A (AWACS) AIRCRAFT SHOULD  
BE APPROVED FOR TWO FUNDAMENTAL REASONS:

-- IT IS IN OUR NATIONAL INTEREST.

-- IT MEETS A LEGITIMATE DEFENSE NEED OF IRAN, A COUNTRY  
OF GREAT IMPORTANCE IN THE WORLD AND IN THE NEAR EAST PART  
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OF THE WORLD.

U.S. NATIONAL INTEREST -- THE UNITED STATES HAS HAD A LONG  
AND CLOSE ASSOCIATION WITH IRAN DATING FROM WORLD WAR II.  
IT IS BASED ON OUR MUTUAL PERCEPTION OF COMMON INTERESTS ON

MOST ISSUES AND COOPERATION IN DEALING WITH THEM.

THE PERSIAN GULF REGION, AND IRAN IN PARTICULAR, IS OF DEMONSTRABLE IMPORTANCE TO THE US BECAUSE OF ITS GEOGRAPHICAL LOCATION AND OIL. THIS REGION HAS BEEN VOLATILE AND TURBULENT OVER THE YEARS; RENEWED CONFLICT COULD THREATEN THE VITAL FLOW OF OIL TO THE US AND ITS ALLIES. A STRONG, FRIENDLY IRAN IS (1) A SOURCE OF STABILITY IN THE AREA, (2) CRITICAL TO CONTINUED ACCESS TO THE REGION'S OIL AND (3) A DETERRENT TO THOSE WHO MIGHT SEEK TO DISRUPT THE REGION IN AN EFFORT TO DENY THE SUPPLY OF PETROLEUM TO THE WEST. NO COMPETITIVE ALTERNATIVES TO THESE OIL SUPPLIES WILL BE AVAILABLE FOR AT LEAST THE NEXT DECADE.

IN ADDITION, IRAN PLAYS A CONSTRUCTIVE ROLE AND COOPERATES WITH THE UNITED STATES ON A WIDE VARIETY OF REGIONAL AND GLOBAL ISSUES OF INCREASING IMPORTANCE TO US.

-- IRAN, LIKE THE US, MAINTAINS GOOD RELATIONS WITH BOTH ISRAEL AND THE ARAB STATES; IRAN HAS SUPPORTED US EFFORTS TO PROMOTE A PEACEFUL SETTLEMENT TO THE MIDDLE EAST CONFLICT.

-- IRAN DID NOT PARTICIPATE IN THE 1973 OIL EMBARGO OR TERMINATE OIL SHIPMENTS TO ISRAEL.

-- IRAN HAS BEEN SUPPORTIVE OF US POLICIES ON NON-PROLIFERA-  
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TION, BOTH WITH REGARD TO ITS NON-NUCLEAR PROGRAMS AND WITH OTHERS INTERNATIONALLY.

-- IRAN COOPERATES IN OTHER SENSITIVE AREAS SUCH AS AFRICA THAT ARE VERY IMPORTANT TO OUR NATIONAL SECURITY INTERESTS.

THESE SHARED IMPORTANT INTERESTS MAKE OUR RELATIONSHIP WITH IRAN AMONG OUR MOST IMPORTANT TIES ABROAD. IRAN'S ECONOMIC AND MILITARY STRENGTH IS THE BASIS FOR THE IRANIAN CONTRIBUTION TOWARD ALL OF THESE GOALS. WE DO NOT AGREE WITH IRAN ON ALL ISSUES; WE ARE, HOWEVER, ABLE TO DISCUSS ANY DIFFERENCES IN A CONSTRUCTIVE MANNER SO LONG AS THERE IS MUTUAL CONFIDENCE IN THE OVERALL RELATIONSHIP. TO PRESERVE OUR MUTUAL CONFIDENCE IRAN MUST KNOW THAT THE US WILL HELP IT MEET ITS LEGITIMATE DEFENSE REQUIREMENTS.

AWACS MEETS A LEGITIMATE DEFENSE NEED -- IRAN BELIEVES IT MUST BE IN A POSITION NOT ONLY TO DEFEND ITSELF AGAINST AN ACTUAL ATTACK, BUT ALSO TO RESIST POLITICAL PRESSURE FROM POTENTIAL ADVERSARIES IN THE FORM OF THREATS OF FORCE. THE PERCEPTIONS OF IRANIAN VULNERABILITY TO INTIMIDATION WILL BE REDUCED BY THE ACQUISITION OF AN EFFECTIVE AIR

DEFENSE CAPABILITY. IRAN CURRENTLY HAS SATISFACTORY RELATIONS WITH ALL OF ITS NEIGHBORS. NEVERTHELESS, THE HISTORY OF THE REGION, AND THE NEED TO PROTECT ITS OIL LIFELINE, UNDERSCORES IRAN'S VIEW THAT IT NEEDS TO MAINTAIN A VIGILANT DEFENSE IN GENERAL, AND AN AIR DEFENSE IN PARTICULAR.

THE US AND IRAN HAVE COOPERATED IN THE DEVELOPMENT OF AN AIR DEFENSE SYSTEM FOR MANY YEARS. WE HAVE PROVIDED IRAN, FOR EXAMPLE, WITH RADAR SYSTEMS, AIR INTERCEPTOR FIGHTERS AND THE IMPROVED HAWK SURFACE TO AIR MISSILE SYSTEM. THESE PROGRAMS HAVE, HOWEVER, BEEN LIMITED IN SCOPE; IRAN CURRENTLY LACKS AN EARLY WARNING CAPABILITY, AN ESSENTIAL

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COMPLEMENT TO ITS FIGHTER AND SAM'S. THE CLOSE PROXIMITY OF PROBABLE IRANIAN TARGETS, MOST NOTABLY ITS OIL REFINERIES, TO THE BORDERS OF POSSIBLE ADVERSARIES HIGHLIGHTS THE IMPORTANCE OF AN EFFECTIVE WARNING CAPABILITY.

THE IRANIANS, HAVING CONSIDERED THE ALTERNATIVES, BELIEVE THAT A COMBINATION OF AWACS AND GROUND RADARS IS BEST SUITED TO ITS NEEDS. THE UNITED STATES CONCURS IN THAT JUDGMENT. THE IRANIANS WANT A SYSTEM THAT INCLUDES AWACS BECAUSE:

-- IT IS A MODERN SYSTEM WITH A LIFE CYCLE OF ABOUT THIRTY YEARS.

-- AWACS IS MOBILE AND IRAN HAS EXTENSIVE BORDERS WITH POTENTIAL ADVERSARIES.

-- IRAN IS A LARGE COUNTRY OF HARSH GEOGRAPHY; THE CONSTRUCTION OF A SYSTEM BASED ON GROUND STATIONS ALONE WOULD BE A MASSIVE UNDERTAKING GIVEN THE LACK OF A DEVELOPED RAIL OR ROAD NETWORK IN REMOTE AREAS.

-- AWACS REQUIRES FEWER TRAINED PERSONNEL AND CONSIDERABLY LESS INFRASTRUCTURE AND CONSTRUCTION THAN AN A-GROUND BASED SYSTEM.

-- AN AIRBORNE AWACS WILL BE MORE EFFECTIVE THAN ALTERNATIVE SYSTEMS IN (1) DETECTING INTRUDERS ATTACKING BELOW 500 FEET AND (2) CIRCUMVENTING THE SEVERE DUCTING PROBLEMS THAT HINDER RADAR EFFECTIVENESS OVER THE GULF THROUGHOUT MOST OF THE YEAR.

WE AGREE THAT AWACS IS THE MOST EFFECTIVE SYSTEM FOR IRAN.  
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IN THE CONTEXT AND IN SUPPORT OF OUR CLOSE RELATIONSHIP WITH IRAN, WE BELIEVE IT TO BE IN OUR INTEREST TO RESPOND AFFIRMATIVELY TO IRAN'S REQUEST FOR AWACS.

THERE ARE POTENTIAL RISKS IN THE SALE OF AWACS; BUT THERE ARE RISKS IN THE SALE OF ALTERNATIVE SYSTEMS AS WELL. WE JUDGE THESE RISKS TO BE ACCEPTABLE AND TO BE FAR OUTWEIGHED BY THE BENEFITS DETAILED ABOVE.

ECONOMIC BENEFITS TO THE UNITED STATES: -- THE CONTRIBUTION OF A SALE OF AWACS TO (1) IRANIAN DETERRENCE AND DEFENSE CAPABILITIES AND (2) OUR OVERALL RELATIONSHIP WITH IRAN WHICH SERVES IMPORTANT US INTERESTS AND ENHANCES REGIONAL STABILITY, IS THE SOLE AND SUFFICIENT REASON FOR PROPOSING THE SALE. AS A BY PRODUCT, THERE ARE ECONOMIC BENEFITS AS WELL. WHILE WE CANNOT IGNORE THE ECONOMIC BENEFITS TO THE US OF SUCH TRANSACTIONS, THEY CANNOT BE THE BASIS OF OUR DECISION ABOUT WHETHER TO APPROVE A SALE. NEVERTHELESS, WE SHOULD RECOGNIZE THAT THE PROPOSED AWACS SALE WOULD MAKE A SIGNIFICANT CONTRIBUTION BOTH TO THE US ECONOMY AND TO THE HEALTH OF THE INTERNATIONAL ECONOMIC SYSTEM. IT WOULD REDUCE THE COSTS OF PROCURING THE SYSTEM FOR OUR OWN FORCES WHILE MAINTAINING JOBS IN OUR AEROSPACE INDUSTRY. AT THE SAME TIME, THE RECYCLING OF PETRODOLLARS WOULD BENEFIT OUR BALANCE OF PAYMENTS AND HELP STRENGTHEN THE DOLLAR IN INTERNATIONAL MONEY MARKETS. CHRISTOPHER

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